

Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02 H-01

CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 AGR-05 ABF-01 FEAE-00 INT-05 /081 W

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E.O. 11652: N/A

TAGS: EFIN, EINV, TS, US

SUBJ: AYARI INVESTMENT PROMOTION VISIT TO US

DEPT PASS OPIC

REFS: TUNIS 0061, 7681 AND PREVIOUS

SUMMARY. ACCORDING MEMBER OF AYARI DELEGATION, SERIOUS EFFORT WILL BE MADE DURING VISIT TO INTEREST US INVESTORS IN SPECIFIC INDUSTRIAL PROJECTS AS WELL AS TO MAKE US BANKING, BUSINESS, AND ACADEMIC CIRCLES BETTER ACQUAINTED WITH TUNISIA. MEETINGS BEING SOUGHT WITH US FIRMS WHICH HAVE BEEN DISCUSSING INVESTMENT POSSIBILITIES IN TUNISIA AS WELL AS WITH FIRMS WITH POTENTIAL INTEREST. GOT PLANS TAKE LEAD IN INVESTIGATING POSSIBILITIES OF OBTAINING FINANCING FROM MIDDLE EAST OIL PRODUCING STATES FOR SOUND US INVESTMENT PROJECTS WHICH MAY BE DEVELOPED. END SUMMARY.

1. KHALED CHAABOUNI, DIRECTOR GENERAL INVESTMENT PROMOTION AGENCY (API) AND MEMBER OF TUNISIAN DELEGATION TO US LED BY MINISTER OF PLAN AYARI, INFORMED EMBOFF THAT API IS MAKING SPECIAL EFFORT TO ASSURE THAT VISIT WILL

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RESULT IN TANGIBLE EVIDENCE OF US PRIVATE INVESTOR

INTEREST IN TUNISIA. API HAS DEVELOPED DETAILED PROPOSALS ON NUMBER OF INDUSTRIAL PROJECTS WHICH WILL BE DISBRIBUTED TO INTERESTED US BUSINESSMEN DURING VISIT. DELEGATION WILL ALSO BE ARMED, HE SAID, WITH BROCHURES AND GENERAL INFORMATION COVERING FACTORS OF IMPORTANCE TO POTENTIAL INVESTORS IN WIDE VARIETY OF ACTIVITIES. CHAABOUNI NOTED THAT GOT AWARE THAT SIMILAR MISSION BY MOROCCAN MINISTER OF STATE BENHIMA IN EARLY 1974 WAS LESS THAN TOTAL SUCCESS AND WISHED TO AVOID POSSIBLE MISTAKES OF BENHIMA GROUP.

2. CHAABOUNI SAID PRIMARY EMPHASIS WILL BE ON ACQUIRING AMERICAN TECHNOLOGY, MANAGEMENT TECHNIQUES, AND MARKETING ABILITY AS APPROPRIATE. MISSION INSISTING HOWEVER ON ACTUAL INVESTMENT PARTICIPATION BY US FIRMS IN SUITABLE PROJECTS AND NOT INTERESTED IN DIRECT PURCHASE OF TECHNOLOGY, SERVICES, AND EQUIPMENT.

3. WHILE MISSION SEEKING SOME CAPITAL PARTICIPATION BY POTENTIAL AMERICAN INVESTORS, CHAABOUNI SAID, GOT RECOGNIZES THAT LIMITING BULK OF FINANCING OF PROJECTS TO US SOURCES WOULD BE DIFFICULT AND IS STRESSING TRIANGULAR INVESTMENT VENTURES DRAWING ON MIDDLE EAST OIL FUNDS. GOT CONFIDENT THAT IF US FIRMS PREPARED PARTICIPATE IN PROFITABLE PROJECTS, BULK OF FINANCING CAN BE OBTAINED FROM ME OIL PRODUCERS. API PLANS ORGANIZE TUNISIAN DELEGATION TO PERSIAN GULF AREA IN SUMMER WITH EXPRESS PURPOSE OF OBTAINING LOAN OR PARTICIPATION FINANCING FOR SUITABLE SPECIFIC PROJECTS WHICH GOT MAY DEVELOP WITH US AND EUROPEAN PRIVATE INVESTORS. HE HOPES SOME PROJECTS WITH US FIRMS WILL BE SUFFICIENTLY ADVANCED BY THAT TIME TO BE ATTRACTIVE FOR ME OIL FUNDS. ALSO NOTED THAT GOT IS OPEN TO MODIFICATION OF PROPOSED PROJECTS AS DEEMED DESIRABLE.

4. CHAABOUNI ALSO RECOGNIZED IMPORTANCE OF ESTABLISHING CONTACTS WITH US FIRMS ALREADY INTERESTED IN TUNISIA. IN ADDITION TO FIRMS CITED PARA 2 TUNIS 7681, DELEGATION ALSO ARRANGING MEETINGS WITH FOLLOWING COMPANIES: BENDIX, WESTINGHOUSE, AVON, UNION CARBIDE, ELENTERIAN MILLS. CHAABOUNI SAID HE COULD IDENTIFY NAMES OF PRINCIPALS OF EACH COMPANY UPON HIS ARRIVAL NEW YORK IF NEEDED. LIMITED OFFICIAL USE

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(AS EXAMPLE OF THESE CONTACTS, FAKHFAKH OF BDET IS MEETING WITH PREMIER CORP. IN WASHINGTON ON JAM. 17.)

5. REGARDING SCHEDULE, CHAABOUNI NOTED THAT DELEGATION WILL VISIT ATLANTA FOR FURTHER CONTACTS WITH BUSINESS GROUPS FOLLOWING VISIT TO SAN FRANCISCO BUT BEFORE SHORT STOP IN BOSTON.

6. REGARDING ESTABLISHMENT OF AMERICAN BANK IN TUNISIA, MINISTER

OF PLAN AYARI INFORMED AMBASSADOR BEFORE HIS DEPARTURE THAT ANY US BANK WOULD BE WELCOME IN TUNISIA BUT WOULD BE EXPECTED TO ESTABLISH ITSELF BY ACQUIRING WHOLLY OR PARTIALLY AN ALREADY-ESTABLISHED BANK IN TUNISIA RATHER THAN BY CREATING ENTIRELY NEW BANKING INSTITUTION. THIS IS IN KEEPING WITH COMMENTS BY CENTRAL BANK DIRECTOR GENERAL BOUSBIA REGARDING GOT POLICY RE PARTICIPATION BY US FIRMS IN TUNISIA'S FINANCIAL SECTOR DURING MIDDLETON VISIT LAST AUGUST.

7. COMMENT: STRESS BY CHAABOUNI ON ASSURING THAT AYARI VISIT HAVE TANGIBLE AND PRACTICAL RESULTS IS GRATIFYING. AS STATED IN TUNIS 7458, WE BELIEVE IT IS IMPORTANT THAT DELEGATION RETURN TO TUNISIA WITH SPECIFIC INDICATION OF ACTIVE INTEREST IN TUNISIAN PROJECTS BY US FIRMS. WE ALSO BELIEVE PROPOSED TECHNIQUE TO DEVELOP PROJECTS INVOLVING US TECHNOLOGY, MANAGEMENT, EQUIPMENT, AND SOME EQUITY FINANCING WHICH WILL BE ATTRACTIVE FOR ME OIL FINANCING MAY OFFER PROMISE AS ONE MEANS OF FURTHERING TRIANGULAR INVESTMENTS USING OIL FUNDS.
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